

115TH CONGRESS
1ST SESSION

S. 2191

To promote investments in renewable energy and consumer loans for residential solar energy systems.

IN THE SENATE OF THE UNITED STATES

DECEMBER 4, 2017

Mr. NELSON introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To promote investments in renewable energy and consumer loans for residential solar energy systems.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Green Banking Act”.

5 SEC. 2. DEFINITIONS.

6 In this Act—

7 (1) the term “joint resolution of approval”
8 means only a joint resolution of either House of
9 Congress—

(A) the title of which is as follows: “Approving the permanent extension of section 3 of the Green Banking Act relating to the special allowance for financial institutions investing in renewable energy companies.”; and

(B) the sole matter after the resolving clause of which is the following : “Congress approves the permanent extension of section 3 of the Green Banking Act effective as of _____.”, with the blank space being filled with a date that is not more than 25 years after the date of enactment of this Act; and

(2) the term “qualified renewable energy activities” means—

(A) the production of solar energy systems, as defined in section 2(a) of the National Housing Act (12 U.S.C. 1703(a)), in the United States; or

(B) the production or storage of energy within the United States that is solely derived from—

(i) solar radiation;

(ii) wind;

(iii) ocean thermal gradients:

(iv) ocean currents and waves;

(v) hydropower;

(vi) the photovoltaic effect (as defined in section 3 of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5582));

(vii) geothermal deposits (as defined in section 613(e) of the Internal Revenue Code of 1986);

(viii) biomass (as defined in section 203 of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8802)); or

(ix) fusion (as defined in section 3 of the Magnetic Fusion Energy Engineering Act of 1980 (42 U.S.C. 9302)); and

(C) does not include any activity that facilitates the production, use, transmission, or transportation of energy derived from fossil fuels.

20 SEC. 3. SPECIAL ALLOWANCE FOR FINANCIAL INSTITU-
21 TIONS INVESTING IN RENEWABLE ENERGY
22 COMPANIES.

23 (a) INTERESTS IN NONBANKING ORGANIZATIONS.—

1 (1) IN GENERAL.—Section 4 of the Bank Hold-
2 ing Company Act of 1956 (12 U.S.C. 1843) is
3 amended—

4 (A) in subsection (c)—

5 (i) in paragraph (13), by striking “or”
6 at the end;

7 (ii) by redesignating paragraph (14)
8 as paragraph (15); and

9 (iii) by inserting after paragraph (13)
10 the following:

11 “(14) shares of any company engaged solely in
12 qualified renewable energy activities if such shares
13 do not exceed 20 per centum of the outstanding vot-
14 ing shares of such company; or”; and

15 (B) in subsection (j)—

16 (i) in paragraph (1)(A), by inserting
17 “, (c)(14),” after “(c)(8)”;

18 (ii) in paragraph (2), by striking sub-
19 paragraph (A) and inserting the following:

20 “(A) CRITERIA.—

21 “(i) IN GENERAL.—In connection with
22 a notice under this subsection, the Board
23 shall consider whether performance of the
24 activity by a bank holding company or a
25 subsidiary of such company can reasonably

1 be expected to produce benefits to the pub-
2 lic, such as greater convenience, increased
3 competition, or gains in efficiency, that
4 outweigh possible adverse effects, such as
5 undue concentration of resources, de-
6 creased or unfair competition, conflicts of
7 interests, unsound banking practices, or
8 risk to the stability of the United States
9 banking or financial system.

10 “(ii) ADDITIONAL CRITERIA.—In con-
11 nection with a notice related to an exemp-
12 tion under subsection (c)(14), the Board
13 shall, in addition to the criteria listed
14 under clause (i), consider whether perform-
15 ance of the activity by a bank holding com-
16 pany or a subsidiary of such company can
17 reasonably be expected to produce a posi-
18 tive outcome for environmental protection,
19 ecological sustainability, or technology ad-
20 vancement.”;

21 (iii) in paragraph (4)—

22 (I) in subparagraph (C)(i), by in-
23 serting “or (c)(14)” after “(c)(8);
24 and

18 SEC. 4. UNDERWRITING STANDARDS FOR RESIDENTIAL
19 SOLAR.

20 Section 1335 of the Federal Housing Enterprises Fi-
21 nancial Safety and Soundness Act of 1992 (12 U.S.C.
22 4565(b)) is amended—

23 (1) in subsection (b)—

1 (A) paragraph (3), in the matter following
2 subparagraph (B), by striking “and” at the
3 end;

4 (B) in paragraph (4), by striking the pe-
5 riod at the end and inserting “; and”; and

6 (C) by adding at the end the following:

7 “(5) develop appropriate and prudent under-
8 writing guidelines relating to financing for residen-
9 tial solar energy systems, as defined in section 2(a)
10 of the National Housing Act (12 U.S.C. 1703(a)), to
11 facilitate the secondary market for mortgages on
12 housing with such systems for low- and moderate-in-
13 come households, including systems not owned by
14 the mortgagor but subject to lease, power purchase,
15 or other contractual terms.”; and

16 (2) by adding at the end the following:

17 “(e) REPORT TO CONGRESS.—

18 “(1) REVIEW.—

19 “(A) IN GENERAL.—The Director shall
20 conduct a review to identify ways to increase
21 the financing for residential solar energy system
22 property improvements in underserved markets,
23 including examining current obstacles to such
24 financing.

1 “(B) CONSULTATION.—In conducting the
2 review under subparagraph (A), the Director
3 shall solicit the views of, and consult with—

4 “(i) Federal agencies supporting hous-
5 ing finance and financial markets;

6 “(ii) representatives of State financial
7 regulators; and

8 “(iii) appropriate Federal and State
9 energy agencies.

10 “(2) REPORT.—Not later than 18 months after
11 the date of enactment of this subsection, the Direc-
12 tor shall submit to the Committee on Banking,
13 Housing, and Urban Affairs of the Senate and the
14 Committee on Financial Services of the House of
15 Representatives a report with—

16 “(A) the results of the review conducted
17 under paragraph (1); and

18 “(B) any legislative recommendations to
19 promote greater use of residential solar energy
20 systems.”.

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